

Message Text

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FM AMCONSUL DHAHRAN
TO USDOC WASHDC
INFO SECSTATE WASHDC 5415
AMEMBASSY CAIRO
AMEMBASSY TEHRAN
USLO RIYADH

UNCLAS SECTION 1 OF 2 DHAHRAN 0540/1

E.O. 11652: N/A
TAGS: BEXP, SA
SUBJECT: ALABAMA TRADE MISSION -- DHAHRAN

REF: JIDDA 2978

1. SUMMARY: ALABAMA TRADEMISSION, WHICH VISITED CONSULAR DISTRICT TO IVESTIGATE OR DEVELOP LONG-TERM MARKETING STRATEGY, WAS WELL RECEIVED BY LOCAL BUSINESSMEN AND ACCOMPLISHED BASIC GOALS OF MISSION. MISSION HAD PARTICULARLY FORTHCOMING SESSION WITH PROVINCIAL CHAMBER OF COMMERCE AND EXCELLENT ORIENTATION ON MULTI-BILLION-DOLLAR JUBAIL INDUSTRIAL COMPLEX. VISIT WAS SHORT BUT USEFUL. END SUMMARY

2. ALABAMA'S BANK-SPONSORED IOGA TRADE MISSION ARRIVED BY RAIL (THE FIRST AMERICAN TRADE MISSION EVER TO DO SO) IN MIDDLE OF WORST SAND STORM IN MAY A YEAR. A HAPPY, CONGENIAL TRADE MISSION, IT WASIBOTH HARD-WORKING AND EASY TO ASSIST. MOST OF TEAM MEBERS WERE EXPERIENCED EXPORTERS AND, BASED ON PREVIOUS VISITS, ALREADY HAD GOOD UNDERSTANDING OF THE MARKET. A FEW ARE ALREADY EXPORTING TO THIS PART OF MARKET AND FOR THOSE TRADE MISSION MEMBERS THE DHAHRAN STOP WAS OPPORTUNITY TO NURTURE EXISTING RELATIONSHIPS.
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DHAHRAN WAS A NEW MARKET FOR MATCHING NUMBER, AND THE OIL HANDS HELPED THE NEW. CONSUL GENERAL'S WELCOMING RECEPTION HONORING TRADE MISSION WAS EXTEMELY WELL-ATTENDED AND RESULTED IN NUMBER OF INFORMAL, PRODUCH VE DISCUSSIONS AND SUBSEQUENT APPOINTMENTS.

3. AS MAJORITY OF MARKET WAS INTERESTED IN LONG-TERM

MARKET ASSESSMENT, GOOD PORTION OF MISSION'S VISIT WAS TAKEN UP WITH BRIEFINGS WITH REPRESENTATIVES OF TWO ORGANIZATIONS OFFERING BEST MARKET PROSPECTS. ARAMCO-ARRANGED BRIEFING OFFERED INSIGHTS AS TO CONSTRAINTS IN DOING BUSINESS WITH THAT COMPANY THAT NONE OF THE TRADE MISSIONS HAD EVER UNDERSTOOD BEFORE. MISSION WAS GIVEN AN INVALUABLE BRIEFING BY SENIOR-MOST MANAGER OF BECHTEL'S MANAGEMENT GROUP ON SAG'S JUBAIL INDUSTRIAL COMPLEX. TWO-HOUR SESSION WAS INFORMAL AND TRADE MISSION WAS TREATED TO CANDID AND HIGHLY ILLUMINATING REVIEW OF THE MULTI-BILLION DOLLAR PROJECT AND THE OPPORTUNITIES IT AFFORDS US COMPANIES.

4. IN TERMS OF ALABAMA TRADE MISSION'S OVERALL IMPACT ON MARKET, MOST IMPORTANT APPOINTMENT OF VISIT WAS THE WELL-ATTENDED MEETING WITH PROVINCIAL CHAMBER OF COMMERCE'S BOARD OF DIRECTORS. HERE QUALITY OF MISSION'S LEADERSHIP SHONE (POST WISHES TO MAKE SPECIAL MENTION OF THE IMAGINATIVE AND INDUSTRIOUS BANKERS WHO LED THE TRADE MISSION - THEY DID A FINE JOB WHIEL, AT THE SAME TIME, QUIETLY PURSUING THEIR OWN SPECIAL BUSINESS INTERESTS). MEETING WETT FAR BEYOND USUAL "SHOW-AND-TELL" ASPECT THAT IS COMMON TO THIS KIND OF MEETING AND A LIVELY DISCUSSION FOCUSED ON PRACTICAL PROBLEMS OF TRADE DEVELOPMENT.

5. TWO INTERESTING POINTS RAISED IN CHAMBER DISCUSSIONS:
(A) SHORTNESS OF VISIT - CHAMBER FELT THAT ONE-AND-ONE-HALF-DAY VISIT OF TRADE MISSION WAS MUCH TO BRIEF FOR MEMBERS TO KNOW EASTERN PROVINCE AND FOR LOCAL BUSINESSMEN TO BECOME REALLY ACQUAINTED WITH ALABAMANS AND THEIR PRODUCTS; (B) THE UNCLASSIFIED

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IMPORTANCE TO SAUDI BUSINESSMEN OF THEIR BECOING ACQUAINTED AND ESTABLISHING TRADING RELATIONSHIPS WITH LESSER-KNOWN AMERICAN STATES. IN THIS REGARD CONTENTS OF 76 DHAHRAN A-7 (I.E.: POST'S PROPOSAL WHERBY VARIOUS AMERICAN STATES RECEIVE REVERSE SAUDI TRADE MISSION TO ATTRACT INVESTMENT AND PRODUCT REPRESENTATION IN EASTERN PROVINCE) WAS, FOR FIRST TIME, DISCUSSED WITH CHAMBER AND IT WAS GREETED BY SAUDIS WITH CONSIDERABLE ENTHUSIASM. INFORMALITY AND LIVELINESS OF DISCUSSION IN CHAMBER WAS GREATLY ENHANCED BY HAVING ARABIC-SPEAKING MEMBER OF TRADE MISSION WHO COULD QUICKLY RESPOND TO SAUDI COMMENTS WITHOUT HAVING TO WAIT FOR TRANSLATION.

6. RESULTS: MEMBERS OF TRADE MISSION SEEMED GENUINELY PLEASED WITH THE RESULTS OF THEIR VISIT IN DHAHRAN ALTHOUGH OBVIOUSLY DISAPPOINTED WITH THE FAILURE OF MANY BUSINESSMEN TO KEEP THE APPOINTMENTS ON THE FIRST DAY OF MISSION (SEE PARA 7). IN TOTAL, WE JUDGE THAT MISSION DID ABOUT AS WELL AS IT DID IN JIDDA BUT NOT AS WELL AS IN RIYADH

(SEE REFTEL). FOR MAY, DHAHRAN STOPOVER WAS A PERIOD TO RE-THINK THEIR APPROACH TO MARKET HERE AND, IN TWO CASES, TO CONSIDER REPLACING PRESENT AGENT. MOREOVER, PRODUCTS OF MISSION MEMBERS WERE TYPICALLY OF A KIND THAT WERE QUITE MUNDANE AND NOT THE SORT THAT WERE NEW OR EXCITING TO THE MARKET. CONSEQUENTLY, MISSION MEMBERS MADE IT QUITE CLEAR THAT MISSION GAVE THEM AN EXPOSURE TO MARKET THAT WAS USEFUL AND SALES WERE ONLY SECONDARY REASON TO MAKING THE TRIP.

7. COMMENT: POST RECOGNIZES THERE IS A TACTICAL DISADVANTAGE IN PROGRAMMING VISIT OF TRADE MISSION HERE AT BEGINNING OF MOSLEM WEEK. MISSION ARRIVED ON FRIDAY NIGHT READY TO CONDUCT BUSINESS ON SATURDAY MORNING. THAT FIRST DAY WAS PLAGUED BY VERY HIGH PROPORTION OF NO SHOWS WHICH POST CAN ONLY ATTRIBUTE TO LOCAL BUSINESSMEN FORGETTING APPOINTMENT OVER WEEKEND. (NOTE THAT POST HAS LONG-ESTABLISHED POLICY OF SCHEDULING APPOINTMENTS IN HOTEL WHERE TRADE MISSION IS
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HEADQUARTERED. THIS ARRANGEMENT PERMITS GREATER UTILIZATION OF APPOINTMENTS IN ONE DAY AND AVOIDS TRANSPORTING MISSION MEMBERS BETWEEN TWO CITIES OF ALKHOBAR AND DAMMA. THAT ARE FIFTEEN MILES APART. SYSTEM HAS ALWAYS WORKED WELL WHEN CONGEN STAFFER CALLS BUSINESSMAN DAY BEFORE APPOINTMENT TO REMIND HIM OF NEXT DAY'S EVENT). SITUATION WAS EXACERBATED WHEN IT WAS DISCOVERED THAT HOTEL'S

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ACTION NEA-10

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R 111130Z MAY 77
FM AMCONSUL DHAHRAN
TO USDOC WASHDC
INFO SECSTATE WASHDC 5416
AMEMBASSY CAIRO
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USLO RIYADH

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TELEPHONE SWITCHBOARD HAD BROKEN DOWN AND STAFF OF CONGEN COULD NOT, EVEN BELATEDLY, CALL BUSINESSMEN TO REMIND THEM OF THEIR APPOINTMENTS. ALSO, MISSION QJ TO BE BOOKED INTO NEW HOTEL NEVER BEFORE USED BY TRADE MISSION AND LOCAL BUSINESSMEN WERE EITHER UNSURE OF THE LOCATION OF THE HOTEL OR UNCERTAIN WHERE THE TRADE MISSION WAS HEADQUARTERED. FINALLY, WITH TRADE MISSION ARRIVING ON WEEKEND FOR VERY SHORT VISIT, RECEPTION HELD IN HONOR OF TRADE MISSION HAD TO BE SCHEDULED NEAR THE END OF VISIT RATHER THAN AT BEGINNING OF VISIT. TRADE MISSION RECEPTIONS HERE NORMALLY RESULT IN AD HOC APPOINTMENTS FOR DAY(S) FOLLOWING RECEPTION. THIS WAS INDEED THE CASE BUT, SINCE RECEPTION CAME NEAR END OF VISIT, MANY MISSION MEMBERS FOUND THEMSELVES INUNDATED WITH CALLERS AFTER A DAY OF DROUGHT OF APPOINTMENTS.

8. RECOMMENDATION/REQUEST TO USDOC AND AMEMBASSY.

WE URGE THAT TRADE MISSIONS BE SCHEDULED TO ARRIVE DHAHRAN LATE IN AFTERNOON OF SATURDAY, SUNDAY, MONDAY OR TUESDAY. NEVER ON A FRIDAY NIGHT. THAT WAY, AS WAS CASE OF EACH IOGA TRADE MISSION IN ODOUBUM TRADE MISSION'S WELCOMING RECEPTION IS PROGRAMMED FOR EVENING OF ARRIVAL AND PROGRAM OF APPOINTMENTS THROUGHOUT ENTIRE UNCLASSIFIED

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VISIT IS CERTAIN TO GROW FATTER AS RESULT.

9. POST REGRETS DELAY IN FILING REPORT. CONTROL OFFICER FOR ALABAMA MISSION WAS ALSO CONTROL OFFICE FOR IOWA TRADE MISSION VISIT (SEE DHAHRAN 0541). HE WAS, AT SAME TIME, POST'S ACTION OFFICER TO ARRANGE PROGRAM FOR COMBINE VISITS OF NATIONAL WAR COLLEGE AND INDUSTRIAL COLLEGE OF ARMED FORCES STUDY TEAMS, WHICH BEGAN THE AFTERNOON OF THE MORNING THAT IOWA TRADE MISSION DEPARTED DHAHRAN. CONSEQUENTLY, WITH RUSH OF NORMAL WORKLOAD, THERE SIMPLY WAS NOT TIME TO MAKE ARRANGEMENTS FOR ALL VISITS AND PROMPTLY PREPARE FINAL REPORT ON ALABAMA TRADE MISSION VISIT. BUSHNELL

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